SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, A. D. 1922.

THEODORE A. HEYER, doing business as T. A. HEYER DUPLICATOR COMPANY,
Petitioner,

vs.

DUPLICATOR MANUFACTURING COMPANY,
Respondent.

PETITION FOR WRIT OF CERTIORARI.

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, Theodore A. Heyer, doing business as T. A. Heyer Duplicator Company of Chicago, Illinois, respectfully represents and shows unto your Honors as follows:

1. That on or about October 5, 1917, the plaintiff, Duplicator Manufacturing Company, the respondent herein, filed a bill of complaint in the District Court for the Northern District of Illinois, against your petitioner charging infringement of the Flanigan patent No. 965,887, relating to a Multiple Copying or Duplicat-

ing Machine; that said infringement was alleged to consist in the manufacture and sale to users of respondent's machines of duplicating spools and bands required as supplies in the operation of said machines; that thereupon your petitioner under date of November 28, 1917, filed an answer denying said infringement and setting forth the fact that the duplicating bands and spools were of a transient and temporary character which were intended to be used and destroyed after a short period of use in the regular and ordinary operation of said duplicating machines and were of a character which the users of such machines have a right to renew or have renewed from time to time as occasion might require and that to compel the customers of such machines to make purchase thereof from the respondent of such necessary supplies was contrary to public policy and constituted an effort to maintain a monopoly in unpatented parts of a character which had been in use for many years prior to the issuance of respondent's patent.

2. That, after issue thus joined, the bill was dismissed for want of prosecution but was reinstated by his Honor, Judge Carpenter, under date of October 29, 1920, on the condition that any recovery of profits and damages be limited to a period beginning on that date; and that on or about April 15, 1921, the case was tried in the District Court before his Honor, Judge Carpenter, and testimony adduced and exhibits offered by both parties; that it appeared during the trial that the charge of infringement was limited to claim 42 which included the gelatine duplicating bands and the spools on which said bands were wound, as elements in a combination comprising the complete duplicating machine; that it appeared from the testimony that the gelatine rolls

were of a transient and temporary character and were worn out after about thirty days of service and required frequent renewal in order to maintain the machine in operative condition; and that the charge of infringement presented a two fold aspect: (*a*) In the acts of your petitioner in applying new gelatine bands to *old* spools of the respondent's manufacture, and (*b*) in applying new bands to *new* spools.

3. That the testimony clearly indicated that the machine as a whole was of rugged construction and intended to last throughout a long period of years and that the respondent sold the machine in the expectation of deriving a large portion of its profits from the sale of supplies during the period of life of the machine; that the gelatine rolls constituted the chief supplies required to maintain the machine in operation; that these gelatine rolls were of precisely the same character as those required in the operation of other forms of duplicating machines in operation prior to the date of the patent in suit; and that the respondent had no patent on the gelatine roll *per se*, but only on the combination of the complete machine which included the gelatine roll as an operative element.

4. That on or about May 20, 1921, Judge Carpenter dismissed the bill at plaintiff's costs.

5. That thereupon an appeal was taken by the respondent which was duly argued in the Court of Appeals for the Seventh Circuit (Judges Evans, Page and Alschuler) on or about the 14th day of January, 1922; and that on or about the 12th day of May, 1922, said court handed down a decision (Judge Alschuler dissenting) reversing the decision of Judge Carpenter on both charges of infringement and holding that the respond-

ent had the right to control both the sale of the spools and the gelatine rolls; that Judge Alschuler concurred with the majority in holding that the sale of the spools should be enjoined, but disagreed with the majority as regards the right of the respondent to control the sale of the gelatine rolls *per se.*

6. That thereafter your petitioner filed a petition for rehearing which was denied on or about June 9th.

7. That as your petitioner submits, the majority decision of the Court of Appeals is **revolutionary** (*a*) in that it completely breaks down the long recognized distinction between *unlawful reconstruction* of a patented combination and the *legitimate repair* thereof.

(*b*) In that it construes the decision of this court in the case of *Leeds & Catlin* v. *Victor Talking Machine Company,* 213 U. S., 325, in such a way as to supersede and nullify the ruling of this court in *Wilson* v. *Simpson,* 9 How., 109, despite the fact that the Wilson-Simpson case is cited and discussed with approval in the Leeds-Victor case.

(*c*) In that the Court of Appeals decision is based upon the theory that *every* resupplying of a worn out element in a patented combination constitutes a *reconstruction* of the machine and that the purchaser of a patented machine acquires no independent rights whatsoever of maintaining the machine in serviceable condition by a resupplying of transient and fragile parts intended to be worn out at frequent intervals in the regular operation of the machine.

(*d*) In that the interpretation placed on the Leeds-Victor decision is contrary to the interpretation adopted by other District Courts and Courts of Appeal in decisions rendered since the Leeds-Victor decision was announced.

(*e*) In that the decision renders impossible the application of *any test whatsoever* with respect to the right of a purchaser to resupply an element in a patented combination, but on the contrary holds in effect that such right in all cases remains in the patentee.

(*f*) In that the decision is contrary to public policy and tends to foster monopolies of the character condemned by this court in its recent decisions in *Straus* v. *Victor Talking Machine Co.*, 243 U. S., 490; *Motion Picture Co.* v. *Universal Film Co.*, 243 U. S., 502; *Boston Store* v. *Am. Graphophone Co.*, 246 U. S., 8; *United Shoe Machinery Corp. et al.* v. *United States*, —— U. S., —— (Apr. 17, 1922), as pointed out in Judge Alschuler's dissenting opinion.

(*g*) In that it enables a patentee, by the mere expedient of including fragile and temporary supply parts as elements in a patented combination, to maintain control of such supply parts in a manner quite as effective as by the use of *license restrictions* or similar expedients of a character severely condemned by the recent decisions of this court.

(*h*) In that it places a premium upon narrow and specific patent claims which include a multitude of subordinate parts or elements in contradistinction to broad and generic claims which include only the major elements in general combinations.

(*i*) In that the decision wholly disregards the implied license giving reasonable liberty in the *use* of a patented machine which passes to the purchaser as an incident to the sale of the machine and which *ipso facto* releases the machine from the patent monopoly.

Wherefore your petitioner humbly prays that this Honorable Court will take cognizance of the matters herein set forth and referred to, and will grant unto

your petitioner a writ of certiorari requiring said cause and the record thereof to be certified to it by the United States Circuit Court of Appeals for the Seventh Circuit for its review and determination pursuant to the provisions of the statute in such case made and provided; and that you petitioner may have such other and further relief in the premises as the nature and circumstances of his case may require and as to this Honorable Court shall seem meet.

And your petitioner will ever pray, etc.

THEODORE A. HEYER,
By SAMUEL W. BANNING,
Counsel.

UNITED STATES OF AMERICA,
NORTHERN DISTRICT OF ILLINOIS,
STATE OF ILLINOIS,
COUNTY OF COOK. } ss:

THEODORE A. HEYER, the above named petitioner, being duly sworn, upon oath says that he has read the foregoing petition and knows the contents thereof and that the same is true in substance and matter of fact.

_____

Subscribed and sworn to before me this —— day of June, 1922.

_____

Notary Public.

I hereby certify that the foregoing petition for writ of certiorari in the above entitled cause is in my opinion well founded in point of law.

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ARGUMENT.

May it please the Court:

The Court of Appeals in its opinion quotes a single excerpt from the Leeds-Victor decision, announced April 19, 1909, the essence of which is found in the statement that "It would seem that on principle when deterioration of an element has reached the point of unfitness, there is a destruction of the combination and a renewal of the element is a reconstruction of the combination." If the Supreme Court had failed to qualify the above statement elsewhere in the same decision, and if this statement alone is to be accepted as determinative of all the present issues, it inevitably follows that the Leeds-Victor decision marks a complete repudiation of the *entire doctrine of unlawful reconstruction* as distinguished from *legitimate repair.*

In short, if *each and every* renewal of a worn out part in a patented combination constitutes a reconstruction thereof, the user's right of repair is completely abrogated. It cannot longer exist under our present patent practice of drafting specific patent claims in which it is possible, not to say often proper, to include nuts, bolts, rivets, springs, cams or other subordinate elements as parts of a patentable combination and thereby foreclose the right of a user to renew *any* of these subordinate elements. If the right of renewal of a worn out duplicating band in the present instance be taken away, under the reasoning of this court, a like abrogation of the right of renewal will extend to *every one of the elements* listed in the forty-two claims of the Flanigan patent in suit, so that the right of any renewal or repair whatsoever will pass from the user, who *owns the machine*, to the patentee, who built it, subject to the whim or capacity of

the latter to make the renewal on such terms and at such price as he may see fit. In short, the logical result of an overthrow of the doctrine of legitimate repair necessarily invests the original builder with a right to control the capacities and consequently the *use* of a machine, sold and paid for, throughout the entire period of its operative existence.

To further illustrate the result of this court's reasoning as applied to the claims covering the Flanigan duplicator machine, let us suppose that the spring of claim 4, or the stop of claim 8, or the bar of claim 9, or the locking means of claim 9, or one of the stop pins of claim 11, or the pawl of claim 12, or the guide of claim 14, or the handle of claim 16, or the detent of claim 17, or the bail of claim 37, or the rod of claim 41, all of them common, subordinate, mechanical elements, were to break or wear out, the user, under this decision could not renew a single one of them, or have it renewed, without liability to the plaintiff, and this in the absence of specific contract or undertaking on the plaintiff's part to make renewal of any or all of the parts enumerated, which constitute but a few of the numerous elements recited in the forty-two claims of the patent. Such a condition would result in an intolerable hardship and invest the plaintiff with the kind of a control over industry which has recently been condemned by the Supreme Court and by legislative enactment in the Clayton Act.

Judge Alschuler evidently realized the dangers of the majority ruling in his expression of the view that a patentee may not properly extend the bounds of his legitimate monopoly by the mere formulation of claims embracing a multitude of severally unpatentable adjuncts or

elements. To sanction such a procedure will place a premium upon the most *specific and limited* of all patent claims, *i. e.,* those which define the combinations with the utmost minuteness, and call for the most subordinate, specific, and even trivial parts and adjuncts of an invention.

It has always been the practice under the patent law to accord the larger measure of protection to those generic claims comprising *few* elements and covering a *generic* field of advance or improvement. Such broad, generic, pioneer claims would have no standing in a controversy like the present, in which the measure of protection seems to be in *direct* rather than *inverse* ratio to the *number of elements included,* that is to say a *specific* claim with many elements, under the present ruling, will afford more protection than a *generic* claim with few, which amounts to the same as a statement that a *specific* claim is preferable to a *generic* claim.

If the doctrine announced in the majority decision is to stand, it will mean that the independent production and sale of all forms of machine parts or office supplies such as typewriter ribbons, carbon paper, etc., will disappear, since manufacturers by patenting trivial and unimportant improvements in the machines themselves, so long as they are not mere aggregations, can, from time to time, claim these trivial features in combination with the *ribbon, carbon paper, etc.,* and thereby completely dominate and control all branches of the business for practically all time to come.

Henry Ford, for instance, can patent a slight improvement in his running gear, and, by the mere expedient of including the balance of his machine including the wheels

and tires in the combination, can for seventeen years compel the Ford owners to buy Ford tires, and at the end of the first seventeen years can introduce another like trivial improvement, further extending the monopoly *ad infinitum.*

The owners of patents relating to steam heating systems by merely including *air valves* and *thermostats* in the general combination of things can forever control the supply of all kinds of air valves and all kinds of thermostats required in the general system. There appears to be no limit to the possibilities of creating and extending monopolies if the owner of a patent claim including thirty-one elements can maintain a monopoly in the supply of each one, for there appears to be no limit to the possibility of juggling words and phrases in patent specifications and claims in such a way as to cover not that which is essentially *new,* and thereby in a manner to foster monopolies in things which are essentially *old.*

It seems evident from a statement of the above that the Supreme Court could not have intended in the Leeds-Victor decision to deprive the owner of a patented machine of *all* right of repair, or to deprive him of the reasonably free and unrestricted use of his machine during its natural term of life. A careful scrutiny of the Leeds-Victor decision fully confirms this view, as we shall proceed to point out.

The right of replacement of worn out parts was early recognized by the Supreme Court in the case of *Wilson* v. *Simpson,* 9 How., 109-122, which case is discussed with *approval* by the Supreme Court in the Victor decision. This Wilson-Simpson case involved a patent on a planing machine in which certain knives or cutters were embod-

ied as a part of the patented invention, and which, from the nature of their use, were repeatedly worn out so as to require replacement.

This Wilson-Simpson case is the first exhaustive consideration and discussion by the Supreme Court of the right of a purchaser of a machine to repair or replace worn or broken parts of the patented combination. The decision was announced nearly seventy-five years ago, and has been cited and followed in practically all of the cases involving the same question since its announcement —both before and *after* the decision in the Victor case. It has never been recalled or substantially modified, and is recognized in the Victor case as expressive of the true rule to govern the decision of cases like the one under consideration. So far as our study goes, and we believe it comprises all of the cases both in the Supreme Court and in the courts below, this Duplicator case is the first one in which a court has announced a decision contrary to the principle and spirit, not to say direct language, of the Wilson-Simpson case.

The Wilson-Simpson decision so fully states the grounds and reasons for the right on the part of a purchaser of a machine to make repair or replacement of temporary parts of the patented invention that, for the convenience of the court, we have concluded to quote from it at great length, the italics being ours, as follows:

> "The questions which were argued by counsel,—when repairs destroy identity and encroach upon invention, or when the thing patented ceases to exist, so as to exclude the repair or replacement of any one *part* of its *combination*, in connection with the rest of it, not requiring repair, or to be replaced,—are before the court upon the evidence in the record.

"We admit, for such is the rule in *Wilson* v. *Rousseau*, 4 Howard, that when the material of the combination ceases to exist, in whatever way that may occur, the right to renew it depends upon the right to make the invention. If the right to make does not exist, there is no right to rebuild the combination.

"But it does not follow, when one of the elements of the combination has become so much worn as to be inoperative, or has been broken, that the machine no longer exists, for restoration to its original use, by the owner who has *bought* its use. When the wearing or injury is partial, then repair is restoration, and not reconstruction.

"Illustrations of this will occur to any one, from the frequent repairs of many machines for agricultural purposes. Also from the repair and replacement of broken or worn-out parts of larger and more complex combinations for manufacture.

"In either case, repairing partial injuries, whether they occur from accident or from wear and tear, is only refitting a machine for use. And it is no more than that, though it shall be a replacement of an *essential part* of a combination. It is the use of the *whole* of that which a purchaser buys, when the patentee sells to him a machine; and when he repairs the damages which may be done to it, it is no more than the exercise of that right of care which every one may use to give duration to that which he owns, or has a right to use as a whole.

"This foundation of the right to repair and replace, and its application to the point we are considering, will be found in the answers which every one will give to two inquiries.

"The right to repair and replace in such a case is either in the patentee, or in him who has bought the machine. Has the patentee a more equitable right to force the disuse of the machine entirely, on account of the inoperativeness of a *part* of it, than the purchaser has to repair, who has, in the *whole* of it, a right of use? And what harm is done to the patentee in the use of his right of invention, when the repair and replacement of a partial injury are confined to the machine which the purchaser has bought?

"Nothing is gained against our conclusion by its being said that the *combination* is the thing patented, and that, when its intended result cannot be produced from the deficiency of a *part* of it, the invention in the particular machine is extinct. It is not so. Consisting of parts, its action is only *suspended* by the want of *one* of them, and its restoration reproduces the same result only, without the machine having been made anew. Of course, when we speak of the right to restore a part of a deficient combination, we mean the part of one entirely original, and not of any *other* patented thing which has been introduced into it, to aid its intended performance.

"Nor is it meant that the right to replace extends to every thing that may be patented. Between repairing and replacing [reconstruction] there is a difference.

"Form may be given to a piece of any material,—wood, metal, or glass,—so as to produce an original result, or to aid the efficiency of one already known, and that would be the subject for a patent. It would be the right of a purchaser to repair such a thing as that, so as to give to it what was its first shape, if it had been turned from it, or, by filing, grinding, or cutting, to keep it up to the performance of its original use. But if, as a whole, it should happen to be broken, so that its parts could not be readjusted, or so much worn out as to be useless, then a purchaser cannot make or replace it by another, but he must buy a new one. The doing of either would be entire reconstruction.

"If, however, this same thing is a *part* of an original combination, essential to its use, then the right to repair and replace recurs. That this is so may be more satisfactorily shown by the Woodworth planing-machine than any other we know, and particularly by the complaint here made against these defendants.

"Woodworth's greatest merit, showing his inventive genius, is the adaptation of a well-known tool to a new form and mechanical action, giving an almost wonderful efficiency to its use, and which, in the hundred efforts which had been made before, had

not been accomplished. We mean its cutters for planing, tongueing and grooving. . . .

"It does not permit an assignee of the first term of a patent, after its renewal and extension, to make other machines, or to reconstruct it, in gross, upon the frames of machines which the assignee had in use when the renewal and extension of the patent took effect. But it does comprehend and permit the resupply of the *effective ultimate tool of the invention,* which is liable to be often *worn out* or to become inoperative for its intended effect, which the *inventor contemplated would have to be frequently replaced anew,* during the time that the machine, as a whole might last.

"The proof in the case is, that one of Woodworth's machines, properly made, will last in use for *several years,* but that its cutting-knives will wear out and must be replaced at least every *sixty or ninety days.*

"The right to replace them was a *part of the invention transferred to the assignee* for the time that he bought it, without which his purchase would have been *useless to him, except for sixty or ninety days after a machine had been put in use.* It has not been contended, nor can it be, that such can be a limitation of the assignee's right in the use of the invention.

"If, then, the use of the machine *depends upon the replacement of the knives,* and the assignee could replace them from time to time, as they were needed, during the first term of the patent, though they are an *essential* and *distinct constituent of the principle or combination* of the invention, frequently replacing them, according to the *intention* of the inventor, is *not a reconstruction* of the invention, but the use only of so much of it as is absolutely necessary to identify the machine with what it was in the beginning of its use, or before that part of it had been worn out.

"The right of the assignee to replace the cutter-knives is not because they are of perishable materials, but because the inventor of the machine has so arranged them as a part of its combination, that the machine could not be continued in use without a *succession of knives at short intervals.* Unless they were replaced, the invention would have been but of

little use to the inventor or to others. The other constituent parts of this invention, though liable to be worn out, are not made with reference to any use of them which will *require them to be replaced.* These, without having a definite duration, are contemplated by the inventor to last so long as the materials of which they are formed can hold together in use in such a combination. No replacement of them at intermediate intervals is meant or is necessary. They may be repaired as the use may require. With such intentions, they are put into the structure. So it is understood by a purchaser, and beyond the duration of them a purchaser of the machine has not a longer use. But if another *constituent part of the combination is meant to be only temporary* in the use of the whole, and to be frequently replaced, because it will not last as long as the other parts of the combination, its inventor cannot complain, if he sells the *use* of his machine, that the purchaser uses it in the way the inventor *meant it to be used,* and in the only way in which the machine can be used.

"Such a replacement of *temporary* parts does not alter the identity of the machine, but preserves it, though there may not be in it every part of its original material."

If this court has correctly interpreted the Leeds-Victor decision, then it is perfectly evident that the Supreme Court intended to completely *nullify and repudiate* its own previous reasoning in the *Wilson-Simpson* case. It is important to note in the Victor decision that the Supreme Court commenting on the Wilson-Simpson decision stated that the latter sanctioned the right to "the resupply of the effective *ultimate tool* of the invention," and after this statement proceeded to distinguish the issues of the Victor case from the Wilson case in the following language (page 336) (italics ours):

"Can petitioner find justification under the right of repair and replacement as described in *Wilson* v. *Simpson,* 9 How., 109, and *Chaffee* v. *Boston Belting Co.,* 22 How. 217? The Court of Appeals, in

passing on these cases, considered that there was no essential difference between the meaning of the words 'repair' and 'replacement.' That they both meant restoration of worn out parts. This distinction was recognized in *Wilson* v. *Simpson, supra,* where it is said that the language of the court in Wilson's and Rousseau's case, 4 How., 709, did not permit the assignee of a patent to make other machines or reconstruct them in gross upon the frame of machines which the assignee had in use, 'but it does comprehend and permit the resupply of the effective *ultimate tool* of the invention, which is liable to be often worn out or to become inoperative for its intended effect which the inventor contemplated would have to be frequently replaced anew, during the time that the machine as a whole might last.' But there is no pretense in the case at bar of mending broken or worn-out records, or of repairing or replacing 'the *operative ultimate tool of the invention' which has deteriorated by use.*"

The court then proceeded to say that:

"The right of substitution or "resupply" of an element depends upon the same *test.* The license granted to a purchaser of a patented combination is to *preserve its fitness for use so far as it may be affected by wear or breakage.* Beyond this there is no license."

The Supreme Court very distinctly recognizes that a *test* is to be applied and that that test is the one specified in the early decision of the Wilson-Simpson case, which introduces the reference to the *ultimate tool* which, being unpatented *per se,* being merely *one* element of a combination, might be renewed when worn out. This court has evidently interpreted the Leeds-Victor decision as abolishing the need for *any test at all,* and has invested the patentee with the right to control the supply not only of the complete patented *combination,* but of *every constituent element thereof,* including the ultimate tool.

Under the reasoning of the Appellate Court no test *can be devised* which will invest the purchaser of the machine with any rights of repair whatsoever. The issues of this case, however, are practically *identical* with the issues in the Wilson-Simpson case, which still stands as the law of the Supreme Court in reference to the right of supplying the ultimate tool in cases where from the very nature of the operations performed the ultimate tool must quickly wear out when the machine is operated in the manner *intended by the inventor.*

In the Wilson case the court stated that the machine itself would last for *several years.* The same is true in the present case. In that case the Supreme Court stated that the cutting knives would wear out in from *sixty to ninety days.* So also in the present case, the duplicator bands wear out after even a shorter service. That case involved the effective *ultimate tool,* and this is likewise the subject-matter of the present case. In that case the ultimate tool was a *distinct constituent of the principle or combination of the invention,* and the same is true in the present case. It is not seen on what possible ground the court can find authority for its present decision in the Leeds-Victor case, in which the particular excerpt quoted by the court was distinctly modified and limited in its application by the language of *other* portions of the decision, referring to the nature of the *implied license to use,* which passed to the purchaser when he took title to the machine.

Right of Repair Still Recognized.

Although we cannot find that the Supreme Court since the Leeds-Victor decision has directly considered the question of reconstruction as distinguished from repair, nevertheless, we find that this subject has, in a number of recent instances, been considered by the courts and a reasonable right of repair uniformly recognized. This certainly indicates that courts elsewhere have not deemed the Leeds-Victor decision to have *abrogated* or even modified the established right of repair.

In the recent case of *Hess-Bright Mfg. Co.* v. *Bearings Co.*, 271 Fed., 350 (1921), Judge Dickinson, on page 351, said:

> "In the view of the defendant they seek now to extend this control over the making of all repairs to worn bearings, or to force the sale of a new bearing, by denying the right of the owner to repair an old one. The monopoly which the law has granted to the plaintiff has proven itself to be one of great value. The law gave the exclusive right to make and vend, but, when once a sale was made, the right (so far as concerned the bearing sold) had been exhausted by its exercise, and all right of ownership passed by the sale, as fully *as if no patent had ever issued*, except that the vendee had no more right than before to make, use or sell another bearing like it. The vendee had the right to its full, untrammelled use, and the right to keep it in repair fitted to use. This included also, the right to *have repairs made by others.*"

After fully considering the facts, the court concluded its opinion with the statement:

> "We have carefully considered the cases to which we have been referred. We find none of them to conflict with the finding made. Among those cited are—*Leeds* v. *Victor Co.*, 213 U. S., 325—etc."

In the case of *Foglesong Machine Co.* v. *Randall Co.*, 239 Fed., 893 (1917)—eight years after the Leeds-Victor decision—the Court of Appeals for the Sixth Circuit, regarding the renewal of parts which the manufacturer recognized as perishable and sold as replacements, on page 895, said (italics ours):

> "The parts substituted were *such as the plaintiff sold or voluntarily furnished to customers for use in repairing.* Their *perishable nature was thus recognized.* The substitutions made were no more than any owner might well make who wished to put an old machine in the best workable condition."

The Court of Appeals for the 7th Circuit in the case of *Williams* v. *Barnes*, 234 Fed., 339, construed certain aspects of the Leeds-Victor case, and recognized the right of renewal in a *proper* case and certainly reached no such conclusion as that now announced which completely abrogates the right of renewal *in all cases.*

The Barnes case involved the use of renewable paper dials in a time register. The court on page 340 said:

> "The case falls within the principle of *Morgan Envelope Co.* v. *Albany Co.*, 152 U. S., 425, 14 Sup. Ct., 627, 38 L. Ed., 500, and not within that of *Leeds & Catlin* v. *Victor Talking Machine Co.*, 213 U. S., 325, 29 Sup. Ct., 503, 53 L. Ed., 805.
>
> "The alleged infringement is not in the manufacture of the paper dials, as they are not patented, but in their sale for use as an element in the patented combination.
>
> "As the Victor case holds, it is not determinative of the question of such contributory infringement that the element is unpatented. The test is whether the element, as part of the patent combination, is perishable in its nature, consumed in the use, and necessarily to be replaced in each successive use of the combination. If it is, then at any rate in the absence of some restriction, the pur-

chaser of the device in which the combination is to be effected for practical use is impliedly licensed to replace the consumable element."

It will be observed that the special facts of the above case were held to bring it within the decision of the Supreme Court in the Morgan Envelope case, but the entire decision is repugnant to the idea that renewal may not be made under other proper circumstances, as for instance, like those dealt with by the Supreme Court in the Wilson-Simpson case. The present decision goes far beyond anything suggested in the Williams-Barnes decision.

In the case of *Slocom* v. *Layman*, 227 Fed., 94 (1915), Judge Bradford, some six years after the Leeds-Victor decision, on page 98, said:

"If, by way of illustration, patented mechanism be composed of various parts and elements the most expensive of which have an average life of twenty years, and other parts or features of comparatively trifling cost are subjected in the operation of the mechanism to such wear as to require renewal or replacement within a period of a few months, or of a year or two, it would seem reasonable and sensible to treat such renewal or replacement, as involving repairs in contradistinction to reconstruction."

The judge then quotes at considerable length from the Wilson-Simpson case and continues:

"If the purchaser and user of a patented machine has a right personally to keep it in repair manifestly he equally has a right through the instrumentality of a third person to do the same thing. If, for instance, the rubber cover of a roll through continued use needs replacement, repair or renewal by way of repair of the patented machine in which it is used, and it be permissible for the owner of the machine to make such repair or re-

newl, without accountability to the patent holder, it is *equally permissible* for a *third* person, whether manufacturer or mechanic, to effect such repair or renewal without such liability. Whether the defendant by way of advertisement or otherwise solicited from the purchasers and users of the complainant's machine the business of supplying repair parts, or, without solicitation, remained inactive until called on for repair parts by such purchasers, and users, is wholly immaterial."

The Court of Appeals for the Seventh Circuit in the case of *Morgan-Gardner E. Co.* v. *Buettner Co.*, 203 Fed., 490 (1913), some four years after the Leeds-Victor decision, recognized the right of repair in the case of a patent relating to a coal mining machine. The court (Judges Baker, Seaman and Kohlsaat) on page 492 said:

"Appellant contends that the supplying of the different elements of the protective device, by one or other than itself, when once broken in the operation of its mining machines, constituted infringement. It will be borne in mind that the machines were sold without *restriction* of any kind; that the sleeve or collar was not supplied in any instance, excepting in the case of the protective device furnished to the Hart Williams Company on appellant's connivance; that, so far as appears from the record, that sale was for use in appellant's machine. It is evident that the protective device was of a perishable character. Its destruction, or that of some of its parts, was contemplated by the appellant, as well as by those to whom the latter sold its mining machines, yet no attempt was made to limit the purchaser in respect to the source from which it should procure the repair parts.

" 'The mere fact that the patentee is able and willing to replace the injured parts and make the repairs, is not alone sufficient to vest in him a monopoly of this work. If the purchaser sees fit to make necessary repairs himself, or employs others for that purpose, he has a right to do so.' *Wagner Typewriting Co.* v. *Webster* (C. C.), 144 Fed., 405.

"In a number of cases cited to Section 302*a*, Walker on Patents (which reads in part: 'A purchaser may repair a patented machine which he has purchased, by replacing broken or worn out unpatented parts, so long as the identity of the machine is not destroyed'), the rule adhered to in Wagner Typewriting Co. case, is followed. See, also, 30 Cyc., 985. In the present case, the appellee had the right to make repairs. It did nothing more."

It is instructive to note that the early destruction of certain parts was contemplated not only by the patentee but by purchasers of the machine, which is exactly the situation here involved.

In the case of *National Malleable Casting Co.* v. *American Steel Foundries,* 182 Fed., 626, Judge Rellstab stated, on page 639):

"The question of the right to repair and what constitutes repair to a patented article, as distinguished from reconstruction, has been frequently dealt with by the courts, and, generally stated, the rule to be deduced from the cases is that, upon an absolute sale of a patented device, the purchaser has the right to the full enjoyment thereof, and an implied license to make repairs, so long as the identity of the original machine is preserved, and that such right of repair is not confined to the mere restoring of the part which is defective, but extends to replacing such part, unless it is itself made the subject of a patent. The following cases are a few of the cases (citing Leeds-Victor decision among others.)"

A very instructive case, though earlier than the Leeds-Victor decision, is the case of *Wagner Typewriting Co.* v. *Webster,* 144 Fed., 405. This case is instructive because it deals with typewriter ribbons mounted upon spools, exactly the same sort of a com-

bination of devices as that involved in the present case. The court said on page 409:

> "As to the spools we have simply a pair of disconnected ribbon spools, an element, but a mere incidental element of the combination. Not a vital element, not a chief part thereof but an ordinary working part or a part upon which the ribbon is wound. In short the spool has a central opening, as do all spools, through which the spindle passes. The spindle has a flange with a short pin which enters a round hole in the spool a little to one side of the central opening. This connects it with the spindle. It may be done in other ways, expressly says the patent. Defendant made some spools specially adapted for use on this machine. Complainants expressly contend and say in the brief:
>
> "'The term "ribbon spool" in the claim does not mean a spool without a ribbon, but one having a ribbon, and a spool is useless unless there is a ribbon connected with it, and the claim necessarily implies that the ribbon spools must contain a ribbon or else the word ribbon before the word spools would be meaningless.'
>
> "The complainants also contend that the owner of an Underwood typewriter infringes when he purchases for it a new ribbon wound on a spool not made by them and places it in the machine to replace the worn out ribbon. And as to this complainants say:
>
> 'But the defendant in so doing reconstructs an essential element of the Underwood machine and becomes, as we have already stated, a contributory infringer.'
>
> "If complainants' contention is correct then every owner of an Underwood typewriting machine must purchase ribbons and spools of the complainants, and pay any price therefor they fix, and, as a result, complainants have not only a monopoly of the machine itself, but of the supplies, inked ribbons, that must be used with it, and this without any license restriction in the sale, and without a patent for the spool and ribbon in combination, or for either alone. This mode of creating monopolies has just been con-

demned by the Circuit Court of Appeals, Second Circuit, (145 Fed. ——), even where there is a license restriction, in reversing *Cortelyou* v. *Charles Eneu Johnson & Co.* (C. C.) 138 Fed. 110. To sustain the contention of the complainants will, in effect, give them a monopoly, not only of the patented machine, but of an unpatented article, inked typewriter ribbons, now in common use, and as necessary to the general public as ink itself. Typewriters have come into general use in all business places and thousands of homes. This court is of opinion that under the well settled authorities, the contention of the complainants must fail, and that contributory infringement has not been shown."

The rest of this decision is extremely instructive, but we do not feel justified in quoting at further length from it.

Rights Carried by Purchase and Sale.

Every sale of a patented machine carries with it an implied license to use the machine to perform the work for which it was devised and sold. In a contract of purchase relating to the sale of a patent machine, the purchaser is seldom concerned with any question concerning the scope of the patents covering the machine, since the sale operates to *release the machine absolutely* from the patent monopoly, whether broad and generic or narrow and specific. Questions concerning the future use of the machine, strictly speaking, cease to be questions of *patent law* at all, but rather partake of the character of questions involving property rights determinable by the law of contract. That is to say, the sale constitutes a transfer of title together with such appurtenant rights as properly pass therewith. An unrestricted sale of real estate, with the passage of title passes the right to the possession, use and enjoyment of the property, and an unrestricted sale of a patent device carries with it a similar

right. The test, therefore, to be applied involves the question as to what rights of use and enjoyment pass with the sale of a patented machine, and courts heretofore have uniformly considered the nature of the machine and its mode of operation with a view of determining the reasonable intentions of the parties to the original transaction.

A consideration of the user's reasonable right of repair or of resupplying himself with such temporary and ephemeral elements as the gelatine roll, is, therefore, to be based, not on a narrow and technical interpretation of patent claims, but on sound questions of public policy and fair dealing in trade. In short, what are the reasonable intentions of the parties to the transaction?

As was said by the Supreme Court in the case of *Chaffee* v. *Belting*, 22 Howard, 217, referred to with approval in the Victor case:

> "If a person legally acquires title to that which is the subject of Letters Patent, he may continue to use it until it is worn out, or he may repair it or improve upon it as he pleases, *in the same manner* as if dealing with property of any *other* kind."

It is obvious that the parties by express *contract* may define their intentions in such a way as to limit the purchaser's use of a machine to a given locality, or to a limited capacity, or to the production of a specified article, or in any other way, which is not deemed contrary to public policy. Such limitations, in a proper case, are enforceable under the law of contract, wholly irrespective whether the machine be patented or unpatented. Wholesale license restrictions stamped upon the machines with a view of controlling the resale price or the use of un-

patented supplies, have, since the Dick case, been uniformly condemned by the Supreme Court, but if the courts now decline to recognize as enforceable under patent law a contract between purchaser and seller set forth in express terms, by how much the more should a court be careful to scrutinize a transaction in which the purchaser's right of reasonable use and resupply of parts—unpatented *per se*—be the subject of implication. This question concerning the reasonable intention of the parties runs through numerous decisions, of which we shall briefly quote a few.

In the case of *Wilson* v. *Simpson, supra*, the court said:

> "This inventor cannot complain if he sells the *use* of his machine, that the purchaser uses it in the way the inventor *meant* it to be used."

In the case of *Morrin* v. *White*, 138 Fed., 31, the court, after mentioning such cases in which the purchaser might renew a part of a combination, said:

> "But, a part of a combination may not be replaced by the purchaser when it is the vital element of the combination, in fact, and in regard to patentability, especially when it is *not intended to be of* short life by the action of external forces thereon."

In the case of *American Cotton Tie Company* v. *Simmons*, 106 U. S., 89, the Supreme Court, in construing the Wilson-Simpson case, said:

> "The principle of that case was that temporary parts wearing out in a machine might be replaced to preserve the machine in accordance with the *intention of the vendor.*"

In the case of *Shickle* v. *St. Louis Car Coupling Co.*, 77 Fed., 740, the Court of Appeals for the Eighth Circuit

said that railroad companies would not purchase the patented article

> "unless the purchase of the coupling apparatus *was made on the implied understanding* that the purchaser should have the right to replace that part of the apparatus if it was accidentally broken."

In the case of *Wagner* v. *Webster,* 144 Fed., 416, the court said:

> "and it is a natural inference that it was *contemplated* by the patentee and the purchaser and user that such part (typewriter ribbon) should be removed and replaced from time to time as the part is in general use and extensively made and sold by others."

In the case of *Davis Electrical Works* v. *Edison,* 60 Fed., 278, the Circuit Court of Appeals for the First Circuit, in considering the claimed right to renew electric lamp filaments, which constituted practically the *whole* invention, said:

> "There was no express or *implied consent* that the filament might be renewed."

The court in the recent case of *Williams* v. *Barnes, supra,* said:

> "Then, at any rate in the *absence* of some restriction, the purchaser of the device in which the combination is to be effected for practical use is *impliedly licensed* to replace the consumable element."

In the recent case of *Slocum* v. *Layman, supra,* the court, on page 99, said, with regard to the right of repair:

> "On this point I have little or no doubt, in view of the *character* of the repair parts and the *attitude of the parties* toward them."

In the case of *Morgan Gardner E. Co.* v. *Buettner Co., supra,* the court said, on page 493:

> "To repair the hollow washer and other separate parts of the productive device did not destroy the identity of the patented device. It was clearly a repair *contemplated by the appellant* when he sold the mining machine."

In the case of *National Malleable Casting Co.* v. *American Steel Foundries,* 182 Fed., 440, the court said:

> "The purchaser has the right to the full enjoyment thereof and an *implied license* to make repairs so long as the identity of the original machine is preserved."

In the present case, manifestly the duplicating machine was sold with the *intention* that the duplicator bands be renewed at frequent intervals, as evidenced from the fact that the plaintiff itself recognized their perishable character, and in the absence of an *express contract* between the seller and purchaser of a nature which the courts would recognize as valid, it must be assumed that the necessary right of renewal passed to the purchaser, together with the right to use the machine during its reasonable period of life expectancy. We can hardly conceive of a plainer case of the right of repair than that presented by the present record.

Judge Alschuler refers to recent decisions of the Supreme Court which, although relating to cases involving *notices* regarding the purchase of supplies from the patentee, or restrictions on resale and use, are nevertheless highly instructive concerning the present attitude of the Supreme Court toward efforts to maintain a monopoly in supplies after complete title to the machine has passed to the purchaser. Re-

garding the outcome of such a practice, the Supreme Court in the case of *Motion Picture Co.* v. *Universal Film Co.*, 243 U. S., 515, said:

> "The perfect instrument of favoritism and oppression which such a system of doing business, if valid, would put into the control of the owner of such a patent should make courts astute, if need be, to defeat its operation. If these restrictions were sustained plainly the plaintiff might, for its own profit or that of its favorites, by the obviously simple expedient of varying its royalty charge, *ruin anyone unfortunate enough to be dependent upon its confessedly important improvements for the doing of business.*"

Furthermore, regarding the practice of selling machines at cost with the expectation of realizing profits from the sale of supplies as was urged in the instant case, the Supreme Court on page 517 said:

> "This fact, if it be a fact, instead of commending, is the clearest possible condemnation of, the practice adopted, for it proves that under color of its patent the owner intends to and does derive its profit, not from the invention on which the law gives it a monopoly but from the unpatented supplies with which it is used and which are wholly without the scope of the patent monopoly, thus in effect extending the power to the owner of the patent to fix the price to the public of the unpatented supplies as effectively as he may fix the price on the patented machine."

It is instructive to note that the Supreme Court has thus recently condemned all effort to establish unnatural monopolies in repair parts and supplies by the expedient of a restrictive notice affixed to the machine, but this court in the present decision, is encouraging exactly the same sort of unnatural monopolies by breaking down the legitimate *tests and safeguards* which were

recognized as applicable to questions involving the alleged right of repair as distinguished from reconstruction. If a monopoly in unpatented ribbons, gelatine rolls, motion picture films, and repair parts of every kind and description can be established and perpetuated by the simple expedient of including these parts as "*elements*" in a patented combination, and if each and every element of every character and description can be brought irrevocably within the control of the patentee by this simple expedient, it appears perfectly evident that a new class of monopolies will develop equally repugnant to principles of equity and fair dealing, and even more pernicious in character than those which found their basis in license restrictions and limitations *plainly* and *indelibly* affixed to the machines themselves.

The purchaser of such a machine, with such a notice confronting him was instantly apprised of the patentee's claim of right to control the further sale of supplies or the like, whereas rights of the kind here sought to be enforced depend for their basis upon the technical construction of patents of which and with which the purchaser is unfamiliar and which are frequently almost unintelligible even to learned courts and counsel. The need of adequate tests and safeguards is therefore doubly plain. The present decision repudiates and overthrows a legal doctrine nearly a century old, and if adhered to, will, as we submit and insist, controvene the reasoning of the Supreme Court in the case relied upon for its support. For this court to adhere to its present decision will establish a precedent repugnant to sound reasoning and prejudicial to every class of the purchasing public, save only those manufacturers who seek to subject a helpless majority to their domination and control.

For the reasons stated, we submit that the petition

for writ of certiorari should be granted so that the true law regarding the right of furnishing supplies and repair parts may be definitely announced in such clear and explicit language as will hereafter prevent the kind of a misinterpretation of the law which, as we submit, has attended the attempt made by the Court of Appeals for the Seventh Circuit, to construe the language of the Supreme Court in the Leeds-Victor decision.

Respectfully submitted,

SAMUEL W. BANNING,
For Petitioner.

THOMAS A. BANNING,
Of Counsel.

CHICAGO, ILLINOIS,
June 15, 1922.

INDEX.

Statement of the case 1
Brief of argument 4
Subject-matter 4
Patent in suit 7
Defendant's infringement 11
Authorities 17
Sale of duplicating machines implies no license to rebuild them 29
Petitioner's apprehension that the decision of the Appellate Court will lead to practices prejudicial to the rights of the public is unfounded..... 32
Conclusion 34

Cases Cited.

American Cotton Tie Co. *v.* Simmons, 106 U. S. 89.. 21
Bauer *v.* O'Donnell, 229 U. S. 1, 10..... 17
Boston Store *v.* Am. Graphophone Co., 246 U. S. 8.. 17
Chaffee *v.* Boston Belting Co., 22 How. 217..... 24
Davis *v.* Edison, 60 Fed. 276..... 22
Edison Electric Light Co. *v.* Peninsula, 101 Fed. 831 30
F. F. Slocomb & Co. *v.* A. C. Layman Machine Co., 227 Fed. 94..... 25
Foglesong Machine Co. *v.* Randall Co., 239 Fed. 893 27
General Electric Co. *v.* Continental Lamp Works, 280 Fed. 846 30
Hazen Mfg. Co. *v.* Wareham, 242 Fed. 642..... 30
Hess-Bright Mfg. Co. *v.* Bearings Co., 271 Fed. 350.. 29
Leeds & Catlin Co. *v.* Victor Talking Machine Co., 213 U. S. 325 ..... 2, 18
Morgan Envelope Co. *v.* Albany Paper Co., 152 U. S. 425 20

Morgan Gardner Electric Co. *v.* Buettner & Shelburne Machine Co., 203 Fed. 490 25
Morrin *v.* White, 143 Fed. 519 22
Motion Picture Co. *v.* Universal Film Co., 243 U. S. 502 17
National Malleable Casting Co. *v.* American Steel Foundries, 182 Fed. 626 24
Straus *v.* Victor Talking Machine Co., 243 U. S. 490 17
Thomson-Houston Electric Co. *v.* Ohio Brass Co., 80 Fed. 712 18
United Shoe Machinery Corp. *et al. v.* United States, — U. S. — 17
Williams *v.* Barnes, 234 Fed. 339 26
Wilson *v.* Simpson, 9 How. 109, 122 23
Wilson *v.* Union Tool Co., 265 Fed. 669 28

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, A. D. 1922.

THEODORE A. HEYER, doing business as T. A. HEYER DUPLICATOR COMPANY,

Petitioner,

vs.

DUPLICATOR MANUFACTURING COMPANY,

Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

Statement of the Case.

Petitioner seeks to have reviewed by this court a decision of the United States Circuit Court of Appeals for the Seventh Circuit reversing the decision of the United States District Court for the Northern District of Illinois, Eastern Division.

The reversal was unanimous as to one of the acts of petitioner-defendant complained of by respondent-plaintiff, and by a majority of the Judges of the Appellate Court as to the other of the two acts complained of.

The Appellate Court unanimously held that petitioner had infringed claim 42 of respondent's patent No. 965,-887 by making and selling to respondent's customers spindles, or spools, for use as parts of duplicating machines made and sold by respondent, and a majority of the Appelate Court held that petitioner had also infringed respondent's patent by making and selling to respondent's customers gelatinous bands for use in said duplicating machines.

The *spindles, or spools, and the duplicating bands are expressly recited in claim 42 of respondent's patent as elements of the combination in which the invention resides,* and they were sold by petitioner with the knowledge and intent that they were to be assembled with the frames of duplicating machines purchased from respondent. *The bands and spools are not supplies for use in connection with the patented duplicating machine,* nor are they products of the machine. *They are parts of the machine itself, and when they are assembled with the frame of the machine the patented invention is made.**

The decision of this court in *Leeds & Catlin Co.* v. *Victor Talking Machine Co.*, 213 U. S., 325, was relied upon by the Court of Appeals as the authority for its decision. The facts before this court in the Victor case and those presented in the instant case are remarkably similar. In the Victor case the invention related to talking machines and resided in a combination of the sound record with the reproducing stylus. The defendant manufactured and sold records to purchasers of Victor talking machines for use in combination with the styli thereof. While talking machine records wear out after being played about two hundred times, yet the object and in-

* For convenience the parties will hereinafter be designated as they were in the trial court, the petitioner as defendant and the respondent as plaintiff.

tent of users of talking machines in buying the records from the defendant was primarily to increase the usefulness of their machines by making it possible to play a number of records on them. In plaintiff's duplicating machine, a band furnished by defendant is assembled, with its spools and frame, not because the previously used band has worn out (although the band does wear out in time), but because it cannot be immediately reused, or because it is not of the proper width for the new master copy. The new band therefore serves to increase the usefulness of the machine.

This court held that a purchaser of a Victor talking machine who assembled with the stylus thereof a record purchased from the defendant *made the invention*, and therefore infringed the Victor patent, and that the defendant who had made and sold the record with the knowledge and intent that it was to be used in a Victor talking machine was a contributory infringer.

The Court of Appeals in the instant case held that a purchaser of plaintiff's duplicating machine who assembled with the frame thereof, a duplicating band or spools purchased from defendant, made the invention and infringed plaintiff's patent, and that the defendant who made and sold duplicating bands and spools with the knowledge and intent that they were to be used in plaintiff's duplicating machine, was a contributory infringer.

The question of law involved in the case at bar is the same as that decided by this court in the Victor case, namely, the portion of the patent monopoly which grants to the patentee the exclusive right to *make* the invention is infringed when the elements of the combination in which the invention resides are brought together in their co-operative relation through the purchaser of one of the patented machines assembling with one element thereof other elements purchased from an unauthorized party.

BRIEF OF ARGUMENT.

Subject-Matter.

The plaintiff has for many years been in the business of manufacturing and selling duplicating machines embodying the invention covered by the patent in suit, and particularly claim 42 thereof, and has sold some twelve thousand of such machines.

The machine comprises a supporting frame, in the opposite ends of which are removably journaled spindles or spools to which are connected the ends of a duplicating band, which in practice is 14½ feet long, and of different widths according to the width of the particular master copy which is to be duplicated. The entire band is initially wound on one spindle which is rotatably supported at the rear end of the frame and a portion thereof is drawn over the supporting surface of the frame by rotating the other spindle supported at the forward end of the frame. The master copy is applied to the exposed portion of the band and after its removal the desired duplicate copies are made, after which the portion of the band which has been used is wound upon the forward spindle, and the next succeeding portion of the band is brought above the support to have applied to it another master copy. In this manner the band is unwound step by step from the rear spindle and wound upon the forward spindle, until the entire length of the band has been used. The spindles are then removed from the frame, and after the band has remained out of use for twenty-four hours so as to allow the ink to be absorbed by the back of the band, it is again assembled with the frame for reuse by placing the spindle upon which the band has been wound during its previous use, at the rear end of the frame, and the empty spindle at the forward end of the frame.

The band may then be again used, and as succeeding portions thereof serve their purpose of receiving impressions from master copies and transferring such impressions to the desired numbers of duplicate copies, it is progressively wound upon the spindle at the forward end of the machine.

The spindles are each provided, at each end, with a squared chuck-engaging portion and a cylindrical bearing, so that when the relative positions of the spindles are changed during the succeeding uses of the band, there will be a squared chuck-engaging portion on the forward spindle in engagement with the driving mechanism, which is located merely at one side of the machine.

Each band is capable of being used a large number of times and of making a total of from ten to fifteen thousand copies from the various master copies applied to the band.

Each duplicating machine must be provided with as many bands as are necessary for a single day's use of the machine, as the same band cannot be used twice over during the same day. Each duplicating machine is also provided with bands of different widths to correspond to different widths of master copies.

Although each duplicating band is capable of making ten to fifteen thousand copies, yet eventually they wear out and must be replaced by new bands. As the spindles do not wear out, it is the practice of users of plaintiff's duplicating machines to return the rolls, the bands of which have worn out, to plaintiff, who then removes the worn bands and secures to the spindles new bands.

The profit derived by the plaintiff company from its business is not due to the sale of duplicating machines, but to the supplying to customers who have purchased such duplicating machines, new bands, either to replace

worn bands, or to add to the number of bands in use on the machine, in order that its use may not be interrupted by an insufficient supply of bands, and in order that bands of the various requisite widths for different master copies may be on hand.

The defendant, through solicitations to purchasers of plaintiff's duplicating machines, has built up a business of selling to the users of plaintiff's duplicating machines, rolls to be assembled with the frames of such machines. The defendant has not only made a practice of obtaining from users of plaintiff's machines, rolls, the bands of which have worn out, and making new rolls by removing the worn bands and securing to the old spindles new bands, but has also made and sold to plaintiff's customers new spindles, as well as new bands.

The spindles are of special construction, *incapable of use on any other existing make of duplicating machines.* The spindles are not perishable, but may be used an indefinite length of time by removing from them the worn out bands and attaching new duplicating bands.

The question presented is whether the purchasers of plaintiff's duplicating machines have the right, as a mere matter of repair, to purchase from defendant new spindles and bands and assemble them with the frames of the duplicating machines purchased from plaintiff, or whether the assembling with the frames of duplicating machines purchased from plaintiff, of new spindles and bands, constitutes a reconstruction of the patented invention, and hence an infringement of plaintiff's patent.

Patent in Suit.

It is not necessary to consider in detail the specification and drawings of the patent in suit, inasmuch as the only claim at issue is claim 42, which reads as follows:

> "In a multiple copying machine, the combination with a machine frame having on one side thereof a journal bearing and on the opposite side a chuck, of a duplicating band, and a spool on which said duplicating band is wound, said spool having at each end a squared chuck-engaging member and a cylindrical bearing member, whereby said spool is interchangeable end for end between said chuck and journal bearing, substantially as described."

The above claim it will be observed covers a combination comprising three elements, as follows:

(1) A machine frame having on one side thereof a journal bearing and on the opposite side a chuck; (2) a duplicating band; and (3) a spool on which said duplicating band is wound, said spool having at each end a squared chuck-engaging member and a cylindrical bearing member, whereby said spool is interchangeable end for end between said chuck and journal bearing.

The most important advantage of providing a spool of the construction defined in the claim, so that it is interchangeable end for end between the chuck and journal bearing on the frame, is that after a band has been unwound step by step from the rear spool onto the forward spool, the positions of the spools may be reversed in the succeeding use of the band, thereby obviating the necessity of rewinding the band onto the spindle from which it was unwound in its previous use, as would be necessary if the construction of the spindles or spools were not such as to permit their relative positions to be changed in the machine after each succeeding use of the band.

For economic reasons, simplicity of construction and convenience of operation, the driving mechanism for rotating the spools is at one side of the machine, and hence when the relative positions of the spools are changed, and they are necessarily reversed end for end in their engagement with the frame of the machine, the spindles may be engaged with the driving means through the location of the squared chuck-engaging member on the spool with the chuck at the driving side of the machine, and the engagement of the cylindrical bearing member at the opposite end of the spool or spindle with the journal bearing at the opposite side of the frame of the machine.

The capability of reversing the spools, through the structural features defined in the claim, not only avoids the rewinding of the band from one spool to another after each use of the band, but attains an additional important advantage. The reversing of the position of the band at each succeeding use brings the right edge of the band during one use to the left during a succeeding use. As the master copies are written with a uniform margin at the left, and a necessarily uneven margin at the right, owing to the different length of lines, the reversing of the band serves to evenly distribute the wear upon it.

The removability of the spools from the frame of the duplicating machine not only is utilized when a band has been completely unwound from one spindle onto the other, but permits the removal of the band of one width when a new master copy, which is to be duplicated, is of a different width from the band then on the machine. A band of the approximate width of the particular master copy to be duplicated may consequently be placed in position upon the machine.

The capability of readily assembling with the frame

of the machine bands of different width results in two advantages:

(1) By using bands of widths corresponding to the widths of the master copies, economy is effected over the use of a band of maximum width for all widths of master copies, as obviously, if only one width of band is used, it must be of the maximum width in order that the machine may be used in duplicating all widths of master copies.

(2) When a band is used of a width greater than the master copy, it becomes worn only throughout that portion of its width, which receives the impression from the master copy and which is engaged by the sheets of paper upon which the duplicate copies are made, and hence the band is unevenly worn, so that the sheets of paper will not be evenly pressed against the band, which results in imperfect copies.

The structural features of the frame and spools set forth in claim 42 therefore result in important advantages in the construction and operation of plaintiff's duplicating machine. The frame is provided on one side with a journal bearing and on the opposite side with a chuck, so that the machine need only be provided with driving mechanism on one side thereof to rotate the chuck, thereby simplifying the construction of the machine and facilitating its operation. By providing the spools with a squared chuck-engaging member and a cylindrical bearing member at each end, the spools may engage the journal bearing and chuck on the opposite sides of the frame of the machine, when the spools are reversed end for end in their engagement with the frame.

During each use of the band, it is progressively unwound from one spool onto the other, and when it is reused the positions of the spools are reversed in their

engagement with the frame of the machine, so that the band may be again progressively used without having previously been rewound onto the spool from which it had been unwound during its previous use. This capability not only saves time, but evenly distributes the wear on the band.

The structural co-operating feature of the sides of the frame and the ends of the spools also permits the band to be disconnected from the frame and a band of different width appropriate to a new master copy conveniently assembled with the machine, regardless of which of its spools it may be wound upon.

On page 2*a* of petitioner's brief appears the statement that the testimony clearly indicated

> "that these gelatine rolls were of precisely the same character as those required in the operation of other forms of duplicating machines in operation prior to the date of the patent in suit."

There is no testimony to this effect. The gelatine *bands* had been used on duplicating machines prior to the date of the patent in suit, but the spindles forming part of the gelatine rolls were novel and peculiar to the plaintiff's machine. This is testified to by the witness Abbott (R. 25), where, in answer to the question, "Are there any other duplicating machines on the market, to your knowledge, in which spindles like those used on plaintiff's machine could be used?" replied, "There are none; not to my knowledge."

Whether the bands and spools were either or both new or old and unpatented *per se* is immaterial in view of the Victor decision, which effectively disposes of this matter in the following statement:

> "A combination is a composition of elements, some of which may be old and others new, or all old or all new. It is, however, the combination that is the invention, and is as much a unit in contemplation of law

as a single or non-composite instrument. Whoever uses it without permission is an infringer of it. Whoever contributes to such use is an infringer of it. It may be well here to get rid of a misleading consideration. It can make no difference as to the infringement or non-infringement of a combination that one of its elements or all of its elements are unpatented."

The fact, therefore, that the gelatine roll and its separate elements (the spindles and the gelatine band) are unpatented *per se* is wholly immaterial and irrelevant to the question of contributory infringement.

Defendant's Infringement.

The validity of claim 42 of plaintiff's patent was not seriously questioned by defendant. The only question concerning which there is any real controversy is whether the acts of defendant constitute contributory infringements of plaintiff's patent.

The acts of the defendant complained of are stipulated as follows:

"That within six (6) years prior to the filing of the Bill of Complaint in this cause, the defendant manufactured and sold in the Northern District of Illinois, Eastern Division, rolls, each comprising a duplicating band secured at its ends to and wound upon spools, each spool having at each end thereof a squared chuck-engaging member, and a cylindrical bearing member; that the spools of some of the rolls so sold by defendant were made by or for defendant, and duplicating bands secured to such spools by or for defendant, while the spools of other of the rolls so sold by defendant had been made by or for plaintiff and were purchased by defendant from parties who had bought from plaintiff rolls comprising such spools and duplicating bands thereon; and that defendant manufactured and sold said rolls with the knowledge and intent that they were to be used in so-called 'Commercial Duplicators' manufactured and sold by plaintiff." (R. 18.)

There are two separate and distinct acts of defendant, each of which the Appellate Court held to be an infringement of its patent:

> (1) The practice of defendant in making new spindles comprising at each end a squared chuck-engaging member and a cylindrical bearing member; in securing to such new spindles a new duplicating band, thereby making what is known as a duplicating roll; and in selling such new rolls to users of plaintiff's duplicating machines to be assembled with the frames of the machines; and
>
> (2) The practice of defendant in obtaining from users of plaintiff's machines, spools or spindles which had been sold by plaintiff as parts of rolls, and attaching to such spindles new duplicating bands, and then selling to users of plaintiff's duplicating machines, such newly constructed rolls for use as parts of such machines.

In the first of the above acts complained of, defendant has made and sold two of the three elements which constitute plaintiff's invention as defined by claim 42, namely, the duplicating band and the spools to which it is secured, so that when the users of plaintiff's duplicating machines assemble such rolls with the frames of the machines they thereby make the invention, and violate the exclusive right of plaintiff under its patent to manufacture the duplicating machine monopolized thereby.

The spools or spindles which are sold by plaintiff as parts of its duplicating machine are not perishable, but are of substantial construction and with ordinary care in use will last an indefinite length of time. That this is true is evidenced by the fact that the same spools repeatedly have new duplicating bands secured to them.

Mr. Abbott, vice-president of the plaintiff company, with which he has been connected for eleven years, testified that he had seen plaintiff's duplicating machines in

use every day doing regular work in the office of the plaintiff company, and said (R. 38):

"Q. Have you known of spindles on the rolls being broken in usage?

"A. I never knew of one. I never knew of anywhere any spindle being broken in use."

Mr. Harold Wright, employed in the contract department of the Chicago Edison Company, testified that plaintiff's machines had been in use in his office about ten years, and said (R. 37):

"Q. During that period of ten years have the spindles on the rolls broken?

"A. I have never heard of any of them breaking. I have never seen a broken one."

The defendant Heyer produced and offered in evidence five spindles manufactured by plaintiff which had been broken. They had been received by express in a shipment of 192 spindles which defendant had obtained from the American Bridge Company. Defendant had not been present when the spindles were broken and did not know how they were broken. It seems obvious from an inspection of them that they were broken through rough handling in transportation. Heyer testified that he had seen one spindle broken when in use, but his testimony is very uncertain as to whether such spindle was one manufactured by plaintiff, or some poorly made spindle manufactured by an infringer (R. 34-35).

Defendant produced, when on the witness stand, seven broken spindles as spindles manufactured by the plaintiff, but when the trial court examined them and questioned the witness about them he admitted that two of them were not manufactured by the plaintiff (R. 33-34). The one spindle which defendant claims he saw broken in usage may therefore not have been manufactured by plaintiff, but may have been a cheap imitation.

However, even if the one spindle which defendant claimed he saw broken in usage had been manufactured by plaintiff, or even if the five broken spindles made by plaintiff which defendant offered in evidence had been broken in usage, such evidence would fall far short of proving that the spindles are perishable, or that they so deteriorate through usage that they have to be replaced. An inspection of the use of one of plaintiff's duplicating machines makes it clearly apparent that the spindles are not subjected to such strains in regular usage as to either break them or impose such wear upon them as to necessitate their being replaced by new spindles.

The practice of the plaintiff in attaching new bands to previously used spindles, and the action of the defendant in obtaining old rolls from plaintiff's customers and after removing the used bands from the spindles, attaching new bands to them and reselling them to plaintiff's customers, establish beyond controversy that the spindles are capable of indefinite use without breaking or being rendered unserviceable through wear.

The Appellate Court unanimously held that the users of plaintiff's duplicating machines, who buy spindles or spools from the defendant and assemble such spindles or spools with the machine frames, reconstruct the invention, and thereby infringe plaintiff's patent, as such spindles so purchased from defendant are not used to replace broken or worn-out spindles obtained from plaintiff. The majority of the Appellate Court sustained plaintiff's contention that it is not only entitled to an injunction restraining the defendant from making and selling new spindles to be assembled with the frames of plaintiff's duplicating machines, but that it is entitled also to an injunction restraining defendant from applying new duplicating bands to spools or spindles made by plaintiff, and

selling such reconstructed rolls to users of plaintiff's machines for assembly with the frames of such machines.

At the bottom of page 2 and top of page 2*a* the petition states:

> "that it appeared from the testimony that the gelatine rolls were of a transient and temporary character and were worn out after about thirty days of service and required frequent renewal in order to maintain the machine in operative condition."

There is no testimony supporting the above quoted statement. On the contrary, there is testimony to the remarkable longevity and durable character of the gelatine rolls. The witness Abbott testified (R. 22) in answer to a question as to how many copies can be made from a band before it is useless that "In ordinary work from ten to fifteen thousand copies. Sometimes greatly beyond that." The witness Wright testified (R. 29) in answer to a question how many copies can be made from each band before it is worn out, "We figure about twelve or thirteen thousand." The witness Bauer testified (R. 31) in answer to a question how many copies can be made from a roll before it is useless, "That is pretty hard to tell. We have one roll or two rolls at the present time in our office that I think we purchased last year, the 10th of June, and today (April 15) it is being in use yet."

While it is true that the duplicating bands wear out through usage and are less durable than the frames or spools of plaintiff's duplicating machines, yet the bands are used to make many thousands of copies of manuscripts. The band is one of the three elements of plaintiff's invention as defined by claim 42, and when defendant furnishes new bands for plaintiff's machines, he contributes to the infringement of plaintiff's patent, which occurs when users of plaintiff's machines assemble with the frames thereof new duplicating bands, and thereby reconstruct the invention.

In determining whether the act of defendant in furnishing new bands for assembly with the frames of plaintiff's duplicating machines, constitutes merely a repair, as distinguished from a reconstruction of the invention, it should be borne in mind that when a band is assembled with one of plaintiff's machines, it is not because the previously used band has worn out and is no longer fit for service, but because the previously used band must be allowed to dry for a period of twenty-four hours before it can be used again. The new band does not therefore replace a worn-out band, but adds to the utility of the machine by permitting its continued use through the successive assembling therewith of different bands. When a user of one of plaintiff's machines purchases a band from defendant, such new band does not replace in the machine a worn-out band, but replaces one of the series of bands which the user of the machine must have in order that he may obtain the desired continuous and uninterrupted service from his machine.

That the new bands sold by defendant, when assembled with the frames of plaintiff's duplicating machines, do not necessarily replace worn-out bands is evident from the fact that various widths of bands are used on each machine, according to the width of the master copy which is to be duplicated. When a band of one width has been used and it is desired to make duplicate copies from a master copy of a different width, the previously used band is removed, not because it is worn out, but to permit the assembly with the frame of the machine of a band of the desired width appropriate for the new master copy.

Authorities.

The decision of the Court of Appeals which the petitioner seeks to have reviewed by this court does not involve the questions decided by this court in the decisions in *Straus* v. *Victor Talking Machine Co.*, 243 U. S., 490; *Motion Picture Co.* v. *Universal Film Co.*, 243 U. S., 502; *Boston Store* v. *Am. Graphophone Co.*, 246 U. S., 8; *United Shoe Machinery Corp. et al.* v. *United States*, —— U. S. —— (Apr. 17, 1922), cited by Judge Alschuler in his partially dissenting opinion and quoted in petitioner's brief, namely, that unpatented supplies for use in connection with a patented machine cannot be monopolized under the patent covering the machine, and that a patentee cannot control the resale price of patented machines sold by him.

The *plaintiff in the case at bar has not sought and has not been given, a monopoly on supplies, such as ink and paper, used in connection with its duplicating machines, but only a monopoly on the making of the invention itself.* Plaintiff's customers, when they assemble with the frames of machines purchased from plaintiff, duplicating bands or spools purchased from defendant, *make* the invention, as the invention is created when the elements thereof, the frame, duplicating bands and spools, are assembled in co-operative relation.

This court said in *Bauer* v. *O'Donnell*, 229 U. S., 1, 10:

> "In framing the act and defining the extent of the rights and privileges secured to a patentee Congress did not use technical or occult phrases, but in simple terms gave an inventor the exclusive right to make, use and vend his invention for a definite term of years. The right to make can scarcely be made plainer by definition, and embraces the construction of the thing invented. . . ."

The defendant in the case at bar, when he furnishes duplicating bands or spools with the knowledge and intent that they are to be assembled in co-operative relation with the old frames of duplicating machines sold by plaintiff, contributes to the "construction of the thing invented."

In *Thomson-Houston Electric Co.* v. *Ohio Brass Co.*, 80 Fed. 712, the patent in suit related to electric railways of the overhead trolley type. The defendant sold the switch and trolley elements of the combination. Mr. Chief Justice Taft in rendering the opinion of the Circuit Court of Appeals for the Sixth Circuit clearly stated the law of contributory infringement as follows:

> "It is well settled that where one makes and sells one element of a combination covered by a patent with the intention and for the purpose of bringing about its use in such combination he is guilty of contributory infringement and is equally liable to the patentee with him who in fact organizes the complete combination (citing *Wallace* v. *Holmes*, 9 Blatchford, 65)."

A brief review of the leading authorities will, we believe, conclusively show that both of the acts of the defendant complained of, namely, making and selling rolls composed of new bands and new spindles, and rolls composed of new bands and old spindles, constitute contributory infringements of plaintiff's patent, as distinguished from merely enabling purchasers of plaintiff's duplicating machine to make legitimate repairs.

Leeds & Catlin Co. v. *Victor Talking Machine Co.*, 213 U. S., 325.

This decision, which was rendered in April, 1909, is the last one by this court relating to the question of repair versus reconstruction. The claim of Berliner patent No. 534,543, involved in said cause, read as follows:

"35. In a sound-reproducing apparatus consisting of a traveling tablet having a sound record formed thereon and a reproducing stylus shaped for engagement with said record and free to be vibrated and propelled by the same, substantially as described."

The defendant supplied new records, or traveling tablets, to users of plaintiff's talking machines, who assembled such records with the machines. They were held to thereby reconstruct the invention and infringe the claim. This court reviewed the authorities on the question of law involved and very clearly stated the principles underlying its decision, which may be summarized as follows:

The elements of a combination may be some new and others old, or all new or all old; it makes no difference as to infringement or non-infringement of a combination that one of its elements or all of its elements are unpatented; the fact that the disk record sold by the defendant was unpatented did not affect the question involved; on principle when deterioration of an element reaches the point of unfitness there is a destruction of the combination, and the renewal of the element is a reconstruction of the combination; and there could be no license implied from difference in the durability of the elements or periodicity in their use.

The facts before this court in the said case were quite similar to those in the case at bar. While talking machine records wear out after being played about two hundred times, yet the object and intent of users of talking machines in buying records from the defendant was primarily to increase the usefulness of their talking machines by making it possible to use them to play a number of records. When a different record was applied to the machine, it was not necessarily because the

previous record had worn out. In plaintiff's duplicating machine, a new or different band is applied, not because the previously used band has worn out, but because it cannot be immediately reused, and the new band serves to increase the usefulness of the machine.

Furthermore, a band may be assembled with the frame of plaintiff's machine because a previously used band is not of a proper width for the new master copy. The utility of a talking machine, if restricted to a single record purchased from the plaintiff, would be extremely limited; in fact, much more so than the utility of one of plaintiff's duplicating machines if limited to use with a single band purchased with the machine. A single band can be used to make ten to fifteen thousand copies in one of plaintiff's duplicating machines, while it is well recognized, and the court will doubtless take judicial notice of the fact, that a talking machine record cannot be used more than two hundred times before it is so deteriorated as to be unpleasant to listen to.

This court in its opinion clearly distinguished the facts before it from those which were passed upon by this court in *Morgan Envelope Co.* v. *Albany Paper Co.*, 152 U. S., 425, in which the patent in suit covered a fixture for holding rolls of toilet paper, and included as an element of the fixture the roll of paper. The defendant supplied rolls of paper to users of the plaintiff's fixtures. The court held that the defendant was not a contributory infringer, inasmuch as the rolls of paper which it supplied were not parts of the patented machine, but were merely the articles which the machine was designed to handle. This court said (431):

> "The first defence raises the question whether, when a machine is designed to manufacture, distribute, or serve out to users a certain article, the article so dealt with can be said to be a part of the combination of which the machine itself is another

part. If this be so, then it would seem to follow that the log which is sawn in the mill; the wheat which is ground by the rollers; the pin which is produced by the patented machine; the paper which is folded and delivered by the printing press, may be claimed as an element of a combination of which the mechanism doing the work is another element. The motion of the hand necessary to turn the roll and withdraw the paper is analogous to the motive power which operates the machinery in the other instances."

In the Talking Machine case this court said with respect to its decision in *Morgan Envelope Co.* v. *Albany Paper Co.* as follows (335):

". . . Not one of the determining factors there stated exists in the case at bar. If the operative relation of the paper roll to the mechanism was as illustrated (and the court left no doubt that it was), that is, of the log to the saw in the mill, wheat to the rollers which grind it, pins which are produced by patent machine; in other words, in no more operative relation than a machine and its product are, the invalidity of the combination was hardly questionable. *And, besides, it was made a determining circumstance that the paper perished by its use, and a periodical renewal was indicated to be a renewal 'whenever the device was put to use.'* The case has no principle or reasoning applicable to the case at bar." (Italics ours.)

The decision in the case at bar is on all fours with the decision in the Victor Talking Machine case and is in full accord with prior decisions, a few of which will be briefly referred to.

American Cotton Tie Co. v. *Simmons,* 106 U. S., 89.

The patent covered a tie for bales of cotton, comprising a metallic band and a buckle for holding the band tightly around the bale. In order to release the bale from the tie, the band was severed. The defendant separated the buckles from the severed bands, secured

the pieces of the bands into a continuous strip, cut such strip into proper lengths for new ties, and applied the buckles thereto. The ties were marked with a license restriction to a single use. This court did not base its opinion upon such restriction, but held that the defendant had reconstructed the patented tie and was hence an infringer. The defendant merely used the same bands and buckles which had been released from plaintiff's monopoly through the sale by plaintiff of bale ties. The defendant in the case at bar has gone much further, in that the band which he supplies is entirely new, and not one reconstructed from the bands sold by plaintiff.

Davis v. *Edison*, 60 Fed., 276.

The Court of Appeals for the First Circuit held that the defendant in supplying new filaments in the incandescent electric bulbs covered by plaintiff's patent had reconstructed the invention, and, therefore, infringed plaintiff's patent. The filament was more fragile than the glass bulb, the other element of the combination, in which the invention resided, but the court, nevertheless, held that the purchaser of such incandescent bulbs did not have any right, under the doctrine of repair, to insert a new filament in place of one which had burned out.

Morrin v. *White*, 143 Fed., 519.

The Court of Appeals for the Second Circuit in this case held that, while a purchaser of a tubular boiler from the owner of a patent covering the same had a right to replace a single burned out tube with a new tube, yet it did not have the right to supply an entirely new set of tubes in the boiler, and held that the patent had been infringed through reconstruction of the boiler purchased from the owner of the patent.

Petitioner contends that the decision of the Court of Appeals in the instant case is in conflict with the decision of this court rendered seventy-five years ago in *Wilson* v. *Simpson*, 9 How., 109, 122. This court in the Victor Talking Machine case distinguished the facts from those involved in the *Wilson* v. *Simpson* case. The facts in the case at bar bring it clearly within the Victor Talking Machine case, and hence distinguish it in the same respects as the Victor Talking Machine case from *Wilson* v. *Simpson*.

This court pointed out that the defendant in the Victor Talking Machine case did not mend broken or worn-out records, but furnished new records "more frequently in order to increase the repertory of tunes than as substituted for worn-out records." This is precisely the situation in the case at bar. Here petitioner makes no pretense of mending broken or worn-out gelatin bands or spools. Just as the practical utility of a phonograph depends upon the use therewith of a considerable number and variety of musical record disks, so the practical utility of respondent's machine depends upon the use in connection therewith of a considerable number and variety of gelatin rolls, because after a single roll has received one impression throughout its length it must be laid aside for twenty-four hours until it is again ready for reuse, during which time another roll, and perhaps several rolls, must be substituted therefor. Petitioner, therefore, in supplying rolls to users of respondent's machine, primarily does this to "increase the repertory" of the machine, and only incidentally to re-supply worn-out rolls.

We contend, therefore, that the Court of Appeals, from which this writ is prayed, under the facts established by the proofs, correctly held the Leeds-Victor case to be controlling of the case at bar, rather than the older cases

of *Wilson* v. *Simpson, supra,* and *Chaffee* v. *Boston Belting Company,* 22 Howard, 217.

Petitioner contends that the decision of the Court of Appeals in the case at bar is at variance with other decisions rendered since the decision of this court in the Victor Talking Machine case. A consideration of the later decisions does not support petitioner's contention, but shows that they have construed the decision in the Victor Talking Machine case no differently than has the Court of Appeals in the instant case.

National Malleable Casting Co. v. *American Steel Foundries,* 182 Fed., 626.

Judge Rellstab, in the District Court of New Jersey, very carefully reviewed the authorities on the question of repair, as distinguished from reconstruction, and held that the defendant had infringed plaintiff's car coupler patent by selling to railroads, who had purchased from plaintiff car couplers, new locks to replace broken locks. The court commented upon the fact that the defendant did not actually repair a defective part, but supplied new parts to railroad companies in advance of actual need thereof, in which respect the case was similar to the case at bar. The court further said that, whether the rights of the parties were measured by claims covering the locks separately, or by considering the lock merely as an element of the combination, the result was infringement. This case was decided subsequently to, and cited as an authority, the decision of this court in *Leeds & Catlin Co.* v. *Victor Talking Machine Co.*

The matter quoted by petitioner from this decision is a mere *obiter dictum.* The judgment of the court was that the substitution of the lock in a car coupler *did constitute contributory infringement.* In this case the court clearly pointed out how the right of substitution of broken

elements, if extended to other parts of the coupler, would enable a duplication of complete couplers to be obtained without resorting to the patentee.

The Court of Appeals for the 7th Circuit in *Morgan Gardner Electric Co.* v. *Buettner & Shelburne Machine Co.*, 203 Fed., 490, held that a defendant was not guilty of contributory infringement when it had supplied a small protective device of a perishable character to a user of a machine purchased from plaintiff embodying the invention covered by the patent in suit. The only instance in which the defendant had supplied a perishable protecting device was done through the plaintiff's connivance. The court commented upon the fact that the only part of the plaintiff's patented machine which the defendant furnished in the single instance had to be destroyed in order to perform its intended function.

The testimony in this case failed to establish any knowledge or intent by the defendant that the device sold by it should be used in an infringing combination. Hence the judgment was bound to be in defendant's favor, irrespective of the perishable or permanent character of the supplied element complained of.

The said decision is therefore clearly distinguishable from the Talking Machine case and from the facts presented by the case at bar.

F. F. Slocomb & Co. v. *A. C. Layman Machine Co.*, 227 Fed., 94 (Delaware District Court).

The defendant furnished some repair parts to owners and users of some of plaintiff's leather staking machines. The plaintiff was, however, guilty of gross laches in asserting its alleged rights against the defendant. The plaintiff had previously to instituting the suit itself sold to the defendant the necessary repair parts for it to sell

to owners and users of the plaintiff's leather staking machines. The court said (100, 101):

> ". . . It is to be gathered from the evidence that the cause of the friction and controversy between the complainant and the defendant was not the mere furnishing of repair parts by the latter which the former had countenanced and facilitated, but the fact that the defendant was placing or about to place on the market a piece of mechanism intended to compete with the staking machine of the patents in suit. The charge of contributory infringement with respect to the furnishing of repair parts savors too strongly of an afterthought, and I am unable to sustain the bill on that ground."

The Court of Appeals for the Seventh Circuit in *Williams* v. *Barnes*, 234 Fed. 339, pointed out the essential distinction between the decisions of this court in the Morgan Envelope case and in the Talking Machine case, and held that the defendant, who furnished to purchasers of the plaintiff's time register, paper dials for use therein, was not a contributory infringer. The paper dials were not a part of the mechanism of the time register, but were operated upon by the mechanism so as to make a record, which when made was removed from the register. The court in its said decision in distinguishing the case before it from the Talking Machine case, and aligning it with the Morgan Envelope case, gave such an interpretation to the Talking Machine case as would clearly include as infringements of plaintiff's patent, the acts of the defendant herein complained of. This court said (340, 341):

> "As the Victor case holds, it is not determinative of the question of such contributory infringement that the element is unpatented. The test is whether the element, as part of the patent combination, is perishable in its nature, consumed in the use and necessarily to be replaced in each successive use of the combination. If it is, then at any

rate in the absence of some restriction, the purchaser of the device in which the combination is to be effected for practical use is impliedly licensed to replace the consumable element. . . .

"Assuming for the moment that the adjustment, the exact fitting of the paper dial to the clock arbor, can be said to cause them to coact in producing the result in the sense that the phonograph disk and stylus of the Victor machine coact, the fundamental difference between this dial and the phonograph record is that the latter, not only is not physically destroyed in a single use, but it is not destroyed as a record; it is designed to be used, and is used, over and over again in its original function as an element in the patented combination, to produce the identical result attained by its original use."

Neither the spindles nor the duplicating band, which form two of the three elements of the combination of claim 42 of the patent in suit, which the defendant manufactures and sells to users of plaintiff's duplicating machines, are perishable, as was the roll of toilet paper in the Morgan Envelope case, or the paper dial in the Time Register case. But, on the other hand, the spindles are in no sense perishable, as they are used over and over again, and each band is used over and over again from end to end in making duplicating copies of any desired number of master copies to the extent of ten to fifteen thousand.

The spindles and the duplicating band are not products of the machine, but are essential and necessary elements of the machine itself, and together with the frame of the machine by which they are supported, serve to permit the duplicating machine to produce thousands of duplicate copies from master copies.

Foglesong Machine Co. v. *Randall Co.*, 239 F. 893, 6th Circuit Court of Appeals.

The replaced machined parts, in this case, were held not to be elements in the combination of the patent which

represented the advance in the art made by the patentee. The court said,

> "The elements in the combination claims in the plaintiff's patent, on which the infringement decree rests and which represent the advance in the art made by plaintiff's assignors, were not disturbed by the defendant but left intact with the possible exception of the hopper; and that was not characteristic of the invention until it received its peculiar mounting in connection with the undisturbed revoluble parts."

The Court of Appeals for the Eighth Circuit in its recent decision in *Wilson* v. *Union Tool Co.*, 265 Fed., 669 said:

> "The principle that a right of the user of a patented device extends to repairs of the device does not go to the extent of replacing parts such as obtaining duplicates or spare parts and extras in anticipation of breakage or destruction."

The court cited the decision in *National Casting Co.* v. *American Steel Foundries, supra.*

The above statement of the law is pertinent to the case at bar, inasmuch as the owners and users of plaintiff's duplicating machines must keep on hand a number of rolls comprising bands and spindles owing to the fact that the same roll cannot be used twice within twenty-four hours, and must also keep on hand rolls having bands of various widths which are used according to the width of the particular master copy which is to be duplicated. When the owners and users of plaintiff's duplicating machines assemble with the frames of the machines rolls manufactured and purchased from the defendant, they do not do so because the band of the previously used roll has worn out, but because whether or not it has worn out, it cannot be immediately used again, or because it is not of the proper width for the newmaster copy.

The act of the owners and users of plaintiff's duplicating machines in assembling with the frames, spindles and bands made by and purchased from defendant, is therefore not an act of repair, but constitutes a reconstruction of the patented combination of elements covered by claim 42 of plaintiff's patent.

Hess Bright Mfg. Co. v. *Bearings Co.*, 271 F. 350, District Court, E. D. Penn.

The court in this case held that defendant repaired the original element of the combination and did not supply a new element. This case is, therefore, irrelevant.

Sale of Duplicating Machines Implies No License to Rebuild Them.

When a patentee sells a physical embodiment of his patented invention, he impliedly grants a license under his patent to the purchaser to use the patented machine. The implied license under the patent monopoly goes no further, however, than the particular physical embodiment of the invention sold. When such physical embodiment of the invention ceases to exist through the destruction of an element of the combination in which the invention resides, the license terminates.

Defendant contends that when plaintiff sells one of its patented duplicating machines, it impliedly grants a license under its patent, not only for the use of the machine as sold, but for the use of a subsequent physical embodiment of the invention which the purchaser makes by assembling with the old frame of the machine duplicating bands and spools purchased from the defendant. A similar situation existed in the Talking Machine case, where the plaintiff sold a talking machine comprising a sound record and a reproducng stylus, and the defend-

ant furnished additional sound records to purchasers of the Victor talking machines. This court, however, held that the implied license under the patent which passed to the purchaser of a Victor talking machine was restricted to the use of the particular machine sold, and did not extend to the machine when other records than those sold by the Victor Company were used.

The law as to the extent of an implied license was clearly stated by Judge Lurton in the opinion of the Court of Appeals for the Sixth Circuit in *Edison Electric Light Co.* v. *Peninsula,* 101 Fed. 831, as follows:

> "It is evident that the extent of an implied license must depend upon the peculiar facts of each case. The question in each case is whether or not the circumstances are such as to estop the vendor from asserting infringement."

Judge Warrington, speaking for the same court, in *Hazen Mfg. Co.* v. *Wareham,* 242 Fed. 642, said:

> ". . . Ever since *McClurg* v. *Kingsland* (1843), 1 How. (42 U. S.) 202, 11 L. Ed. 102, the rule has prevailed that an implied license such as is claimed here under the customary name of a 'shop right' is to be founded upon conduct of the inventor which gives rise to an estoppel *in pais;* such cases must of necessity depend at last upon the intention of the parties; and such intention is of course to be ascertained in every case according to the particular facts and circumstances involved. . . ."

The Court of Appeals for the Second Circuit in the recent decision in *General Electric Co.* v. *Continental Lamp Works,* 280 Fed. 846, cited with approval and quoted from the above decision of Judge Lurton, and said:

> "We accept this statement of the law, and with it as a guide we think the parties here did not intend that an implied license be granted. The mere sale imports no license, except where the circumstances plainly indicate that it did, or except where

good faith required it, or where it cannot be doubted that the vendee understood that they were getting a license. . . ."

Applying the above expressed law as to implied licenses to the facts in the case at bar, it conclusively follows that purchasers of plaintiff's duplicating machines do not acquire an implied license to reconstruct such machines by assembling with the frames thereof duplicating bands and spools purchased from defendant.

The plaintiff maintains a service department, the entire duty of which is to repair machines, give instructions to operators, explain troubles which may arise, and aid purchasers in securing the best possible service from their machines. It receives no compensation whatever from the purchasers of its duplicating machines for the services which it renders to them, but renders such services in consideration of its customers buying from it additional duplicating bands and spools when necessary. Plaintiff derives its profits from its business through the sale of additional duplicating bands and spools to its customers rather than the sale of the duplicating machines themselves. (R. 25, 26.)

Plaintiff, therefore, sells its duplicating machines with the expectation that it will furnish to the purchasers of such machines additional duplicating bands and spools, and the purchasers of such duplicating machines acquire them with full knowledge that the plaintiff makes a business of furnishing additional duplicating bands and spools. There is therefore not only no implied license to purchasers of plaintiff's duplicating machines to assemble with the frames thereof duplicating bands and spools furnished through others, but an implied license is conclusively negatived by the above related circumstances attending the sale of duplicating machines.

Petitioner's Apprehension That the Decision of the Appellate Court Will Lead to Practices Prejudicial to the Rights of the Public Is Unfounded.

Petitioner in his brief, page 26, characterized the decision of the Court of Appeals as establishing "a precedent repugnant to sound reasoning and prejudicial to every class of the purchasing public, save only those manufacturers who seek to subject a helpless majority to their domination and control."

The decision of the Court of Appeals merely holds that the portion of the patent monopoly which grants to the patentee the exclusive right to make the invention entitles the patentee for the term of the patent, to prevent others from making his invention by assembling the elements thereof. The right accorded plaintiff is the same right that every patentee possesses under his patent monopoly. For seventeen years the public can only manufacture, sell, or use, the patented invention with the consent of the patentee. The public is in no wise deprived of any rights which it possessed prior to the granting of the patent, to manufacture, sell and use the various parts of the patented invention, but cannot assemble them in the co-operative relation in which the invention of the patent resides.

Petitioner asserts that the decision of the Court of Appeals completely abrogates the right of repair of the purchaser of a patented machine. In this statement petitioner is in error, as the purchasers of plaintiff's duplicating machines have the right to repair or replace any parts thereof, or auxiliaries thereto, which are not elements of the patented combination, and also has the right to *repair any elements of the patented combination.* The purchaser is merely precluded from substituting in the duplicating machine, for elements thereof

in which the invention resides, new elements obtained from an unauthorized party.

Petitioner urges that applicants for patents will in claiming their inventions include all of the detailed features and the specific elements possible in order that when their patents are granted they may monopolize the supply to their customers of as many renewal parts as possible. It is well recognized that a claim will only be allowed which contains co-operating elements, and not elements which are merely aggregative. The public is therefore precluded from any such imposition as that suggested by petitioner.

If an invention resides in a combination of co-operating elements, the patentee has the exclusive right to make his invention by assembling the elements thereof, regardless of their number. Anyone who furnishes a single element of his patented combination, with the knowledge and intent that it is to be assembled in co-operative relation with the other elements of the invention, is an infringer.

Petitioner complains that the decision of the Appellate Court leaves no test whatsoever to determine how far a user of a patented machine may go in repairing it. Quite the contrary is true. The decision of this court in the Victor Talking Machine case, and that of the Appellate Court in the instant case, establish a very simple test for distinguishing repair from reconstruction. The elements of the patented combination may be themselves repaired, and any parts of the patented machine which do not in themselves form part of the invention may be repaired or replaced by the user, but the user may not substitute for one of the elements of the patented invention in his machine a new element purchased from an unauthorized party. The test is therefore whether the part of a machine which a user replaces is an element of the invention as covered by the patent, or is merely a part thereof in which the invention does not reside.

The decision of the Appellate Court in the case at ba just as did the decision of this court in the Victor Talki Machine case, reiterates the long recognized right of patentee to monopolize for the limited term of his paten the *making* of the invention covered thereby.

Conclusion.

It is submitted by respondent that the decree of the Ci cuit Court of Appeals for the Seventh Circuit correctl interprets the law in holding that plaintiff's right t make its patented duplicating machine was infringed b the assembly with old frames of its machines, of new du plicating bands or spools made and sold by the defend..nt that the decision of the Circuit Court of Appeals is i full accord with the decision of this court in the Victo Talking Machine case; and that the petition for writ o certiorari should therefore be denied.

Respectfully,

GEORGE L. WILKINSON,
Counsel for Respondent

CHICAGO, ILL., Sept. 25, 1922.